

of her superior resources in other types of soft power.

However, this requires clear strategies from the Indian government, which B. M. Jain considers conspicuous by their absence in India's current attempt to simultaneously ride two horses. The Modi government tries to improve relations with China in order to attract direct investment for a market-based modernisation of the Indian economy, but at the same time announces its determination to maintain India's borders as final, even though these were renegotiated with China under pressure by the colonial raj at the beginning of the 20th century.

And so this book is ultimately a plea for a more consistent use of India's assets in soft power, and for greater support for India from like-minded (predominantly Western) allies in a policy of containing China, again with soft power instruments. This conclusion is not explicitly formulated, but it is evident in many criticisms of the current Indian government, and it is further supported by an evaluation of India's resources, which are considered highly suited to such a policy.

Neil Wilcock / Corina Scholz: Hartmut Elsenhans and a Critique of Capitalism. Conversations on Theory and Policy Implication, Basingstoke: Palgrave Macmillian 2016, 184 p.

Reviewed by
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Neil Wilcock and Corina Scholz take an unconventional approach to making the works of an unconventional political economist – Hartmut Elsenhans, emeritus professor of international relations at the University of Leipzig – accessible to a wider public. This consists in having Elsenhans explain his theories on capitalism and economic development through a series of interviews. Such approach allows Elsenhans to explain the content and policy implications of his wide-ranging works in political economy to audiences that may lack strong backgrounds in Keynesian, Marxian and neoclassical macroeconomics. Although Elsenhans relies heavily on the Keynesian tradition to explain, say, persistent economic crises in the Global North or why foreign aid and NGOs will not meaningfully achieve economic development in the Global South, he takes a rather unorthodox or unconventional approach. Wilcock and Scholz with this book succeed in taking the reader through Elsenhans foundational politico-economic concepts of rent, marginality and his historical definition of capitalism, along with their policy implications.

The wide-ranging interview with Hartmut Elsenhans produced eleven compact chapters. The introductory chapter succinctly explains the important contribution of Elsenhans' politico-economic theories to the debates on macroeconomics and development, while recognizing that, as one critical reviewer of his work put it, "[t]he complexity of his language reflects the complexity of his line of argument [...] the reader must be as well-read as the author" (p. 2). It would be a pity for his theoretical contributions to reach too narrow an audience due to its complexity, which gives credit to Wilcock and Scholz initiative of putting together this book and in English instead of German. This book is a great resource for instructors of undergraduate courses in international/global political economy or development economics, as a supplement to graduate-level courses in these areas and to everyone interested in gaining insights into a modern critique of capitalism and economic policy, which one cannot place squarely in the "left" or in the "right" of the political spectrum. Chapters two and three each deal with the politico-economic concepts of "rent" and marginality." Both foundational concepts work in tandem in Elsenhans' theories of capitalism and economic development. Rent is a surplus derived from power relations, like oil revenues (p. 13) or intellectual property patents (pp. 168-69). Marginality is the sector of the population in pre-industrial societies that produces less than it consumes, which means that they would starve without solidarity networks like the extended family—hence the importance of this institution in the Global South—or distribution of economic rents by elites (pp. 31-34). Based on Elsenhans' theories, the

presence and politico-economic dynamics of these two factors is critical to explain the difficulties of transitioning to capitalism in the Global South—and why it was a historical accident in the Global North. The second chapter on "rent," moreover, explains two aspects enriching Elsenhans' insights on global political economy. The interview in this chapter shows that experiences in the policy world and not just academic conferences and workshops enriched his theoretical concepts. Additionally, when discussing the concept of rent – as with other concepts – he separates moral from economic arguments, which are too often intertwined in discussions of economic policy.

The next seven chapters further discuss Elsenhans' theoretical concepts, but also explore their policy implications. In this regard chapters four and five focus on how countries in the Global South can successfully transition to industrialized capitalism. In chapter four the discussion centres on policies that distribute rent revenues produced by these set of countries to increase mass incomes, which stimulates consumption and incentivises economic growth. This goes beyond stimulating demand by printing more money like, "[t]he typical Keynesians, those who think they are Keynesians, like Stiglitz and Krugman" (p. 47). In Elsenhans' view, the state must increase mass incomes by creating jobs through state spending, which allows for the empowerment of labour—the hallmark of capitalism according to Elsenhans. Chapter five furthers this previous discussion at the international level.

Chapters six and seven discuss in detail the policies leading to the crisis of capitalism in the Global North and why such

economic system came about. Chapter six discusses the crisis of capitalism in general but gives special attention to the Eurozone and German economic policies. Elsenhans points to a misunderstanding of what money is as the source of woes caused by economic policies. The interviews with him elaborate on his understanding of money and its relation to productivity by explaining that money does not preserve value, like neoclassical economists suggest, but that it is a claim on value. He explains that saving money for a rainy day, which in German macroeconomic policy refers to maintaining a foreign trade surplus, hurts productivity today and does not guarantee productivity in the future. Hence, the crisis of capitalism is in a great part due to prioritizing savings instead of consumption, which for him the latter is a key element of economic growth. The discussion in chapter seven elaborates on his historical conceptualization of capitalism. It would not surprise economists reading this far that he draws heavily from the Keynesian tradition, but the discussion is particularly interesting for international political economy scholars and students as he provides well-founded criticisms of world systems theory (from the likes of Immanuel Wallerstein) and other theories that link exploitation to capital accumulation. Elsenhans asserts that exploitation and imperialism is a reality, but it does not account for capitalism, and scholars that make such a claim have not developed any significant theory on how capitalism develops.

Chapter eight once more differentiates moral from economic arguments; NGOs may do good work, but their impact on economic development is insignificant.

This is because for Elsenhans overcoming underdevelopment requires structural changes that only an interventionist state can perform. Chapter nine goes into detail on the policy implications of his theories on Europe's current woes, while reminding the reader of the politico-economic history behind the EU's international relations. Chapter ten argues on the importance of socioeconomic factors behind identity movements in global politics like the Arab Spring and Marie Le Pen (the interviews took place before the Trump-era, which is why this identitarian movement is missing from the interviews). Finally, chapter eleven concludes the book by discussing issues that Elsenhans has not written upon like his rationale for supporting minimum wage legislation. He talks about the influence of East Asian philosophies on his life and way of thinking and that developing his own theories on capitalism and development impeded him from becoming a well-known scholar internationally, as he was not part of any major academic networks or adhered to any mainstream school of economic thought. One could challenge this last remark since Keynesian thought is clearly central in Elsenhans' theories.

All in all, this book provides insight into a wide range of theoretical and policy discussions from an unorthodox political economist that greatly contributes to timely debates on economic development policy and political economy.